

# **Exhibit 82**

Board of Directors Presentation:

# Ethics & Compliance Update 3Q17

October 2017



PROPRIETARY AND CONFIDENTIAL

# Executive Summary



- There are no significant compliance issues to report
- We continue to make progress toward several important Ethics & Compliance objectives and to support risk mitigation activities.
  - Led initiative to update Purdue's Guiding Principles; Executive Committee endorsed in August (copy attached)
  - Preparing for Ethics Week – November 2017
  - Commercial Initiatives
    - Partnered with Commercial, Sales Ops, IT for effective Symproic<sup>®</sup> launch, including sampling support
    - Streamlined Sales Force Standard Operating Procedures (SOPs)
    - Evaluated and endorsed Incentive Compensation model for sales force personnel
    - Continued monitoring of Speaker Programs for Hysingla ER and Symproic
    - Collaborating with Sales Leadership on field force opioid call flow annual certification (anticipated Jan '18)
  - Systems and monitoring
    - New ADD System go-live took place July 25
    - New SOM System go-live took place September 1
    - Creating SOM "Know Your Customers' Customers" program (anticipated late Q4)
  - Improved Processes:
    - Import/Export Controls
    - Healthcare Professional Vetting
    - Training of Third Party Vendors and Suppliers
- We have met all of our "business as usual" requirements and continuously improved our program

## We have met all “business as usual” requirements and continuously improved our program



Element	Program Highlights
Compliance Officer & Committees	<ul style="list-style-type: none"><li>• Sales &amp; Marketing Compliance Committee especially active leading to Symproic<sup>®</sup> launch</li><li>• Corporate Compliance Council Q3 meeting took place; enhancements planned for Q4</li></ul>
Standards & Procedures	<ul style="list-style-type: none"><li>• Purdue Pharma Guiding Principles (final version endorsed by EC)</li><li>• Re-publishing updated Code of Business Ethics (anticipated early November)</li><li>• Creation of third party vendor code of conduct (anticipated in Q4)</li><li>• Simplification and update of Sales Force SOPs (anticipated early Q4)</li></ul>
Lines of Communication	<ul style="list-style-type: none"><li>• Hotline volume – remains predominantly external inquiries related to medical questions</li><li>• Issued employee communication regarding Hotline; reminder re non-retaliation practices</li><li>• Planning for Ethics Week 2017 (week of November 13<sup>th</sup>)</li></ul>
Training & Education	<ul style="list-style-type: none"><li>• On deck for roll out: Sunshine Act, Purdue Pharma Code of Business Ethics, Government Pricing, Information Security, Suspicious Order Monitoring (SOMs), Import/Export SOP</li><li>• Issued: ADD training; Prescription Drug Monitoring Act training launch to field sales force</li></ul>
Auditing & Monitoring	<ul style="list-style-type: none"><li>• Implemented ADD media reviews E&amp;C Ride alongs continue to be conducted by E&amp;C team as well as third party vendor</li><li>• Auditing activities underway by IAF group</li></ul>
Investigations & Disclosures	<ul style="list-style-type: none"><li>• Sales representative investigations pertaining to ADD media reviews</li><li>• Implementing new systems to improve efficiency of investigations and remediations</li><li>• Developing investigations training for new sales managers, HR, Ethics &amp; Compliance, Law</li></ul>
Enforcement & Discipline	<ul style="list-style-type: none"><li>• Automating some elements of sales discipline process to ensure consistent enforcement and to maximize efficiency</li></ul>

# The Executive Committee has aligned on Purdue's Guiding Principles 2017

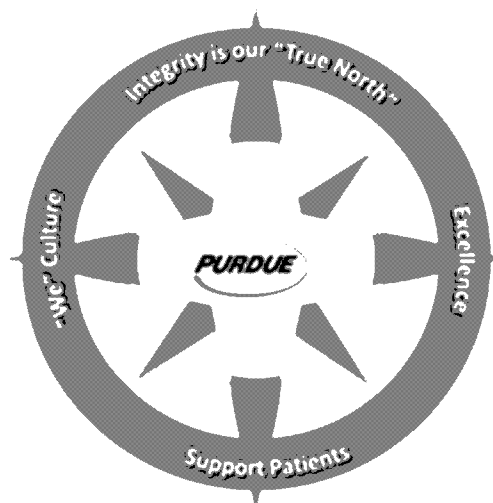


## Integrity is our "True North"

We are committed to upholding the highest ethical standards throughout our business. As an important stakeholder in pain management, we embrace responsible stewardship and are dedicated to combating opioid abuse, diversion, addiction, and overprescribing. Every decision matters.

## "We" Culture

We actively seek, value, and draw on colleagues who are diverse in opinions, backgrounds and experiences to challenge the status quo and succeed as a team. We operate as a family, where everyone's ideas and concerns are explored. The voice of every colleague is essential to our progress.



## Excellence

We have pioneered meaningful technologies and medicines that support patients. With this heritage, we are working toward a future of novel approaches to pain management and other therapeutic areas. We are dedicated to innovation and uphold the highest scientific, commercial, and regulatory standards. We will always strive to do better.

## Supporting Patients

We are relentlessly passionate about our mission to identify, develop, and supply innovative medicines that meet the evolving needs of patients as well as their families, healthcare providers, and society. The health and safety of patients is our #1 priority.



# Appendix

# Ride Alongs: We are on target to complete roughly 50 ride along monitoring sessions in 2017.



Our vendor, ICC, will complete 30 ride alongs by year end and employed compliance officers will complete approximately 20 additional programs.

<u>Month</u>	<u>ICC Monitored Field Days</u>
February	4
March	5
April	4
May	1
June	2
July	0
August	3
September	2
October	5
November	3
December	4
<b>Total</b>	<b>33</b>

- 21 Field Days completed through September
- No rides conducted during July due to realignment
- ICC will target 12 remaining field day targets to regions not visited frequently YTD
  - South Central
  - West
  - Southeast

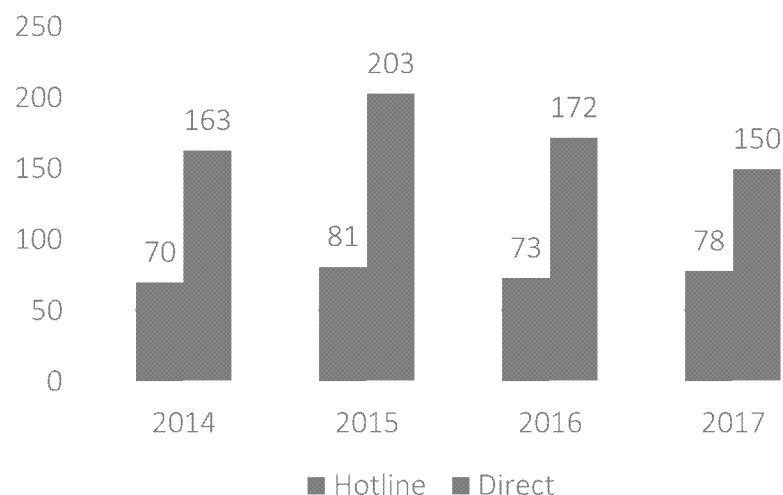
ID #	Region	<u>2016</u> Total # of Field Days (ICC & EC)	<u>2017</u> Total # of Field Days (ICC & EC) YTD
1810000	Northeast	3	12
1820000	MidAtlantic	4	7
1830000	MidWest	4	8
1840000	Southeast	4	6
1850000	South Central	4	6
1860000	West	4	7
		<b>23</b>	<b>46</b>

Data as reported by vendor, ICC, at the end of September 2017.

## Investigations and Inquiries: Q3 '17



Source of Report  
(as of 10/9/17)



- YTD anonymous report percentage is 17.6% as compared to 42.3% for the market comparator. This is up slightly from Q2 (13.5%).
  - For comparison, in 2016, 27% of calls to our hotline were made anonymously vs. market comparison of 40.7%
- Lower than benchmark percentage anonymous calls, indicating trust in the system and the people who manage it.
- Anonymous calls are harder to properly and completely investigate. Employing more awareness and anti-retaliation training may empower more employees to identify themselves when they contact the Purdue Ethics & Compliance Hotline.

### INCIDENT REPORT ACTIVITY SUMMARY

	PTD		YTD		YTD Market Comparison
	7	%	74	%	
<b>Original Incident Reports</b>					
Anonymous Reports	2	28.6%	13	17.6%	42.3%
Non-Anonymous Reports	5	71.4%	61	82.4%	57.7%
<b>Escalated Incident Reports</b>	0	0.0%	0	0.0%	1.2%
<b>Previously Reported To Mgmt</b>	2	28.6%	6	8.1%	24.6%

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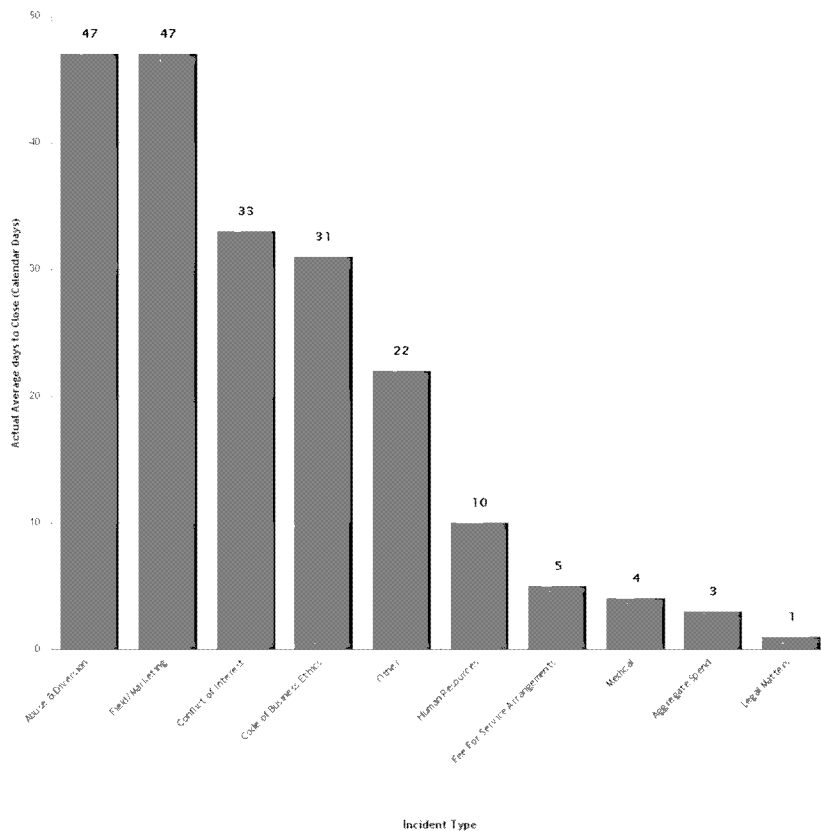


## Average cycle time for Direct Inquiries was 35 days



### Explanation of Direct Inquiries

#### Direct Inquiry



- Abuse & Diversion: Assumed responsibility for new process with multiple aged matters, artificially driving up completion time; completion time posed no addition risk to organization
- Field & Marketing: One investigation of an unreported AE artificially drove up timeline; other matters delayed due to time it takes to finalize a warning letter
- Remaining matters largely advising; limited compliance risk to the organization

#### Year

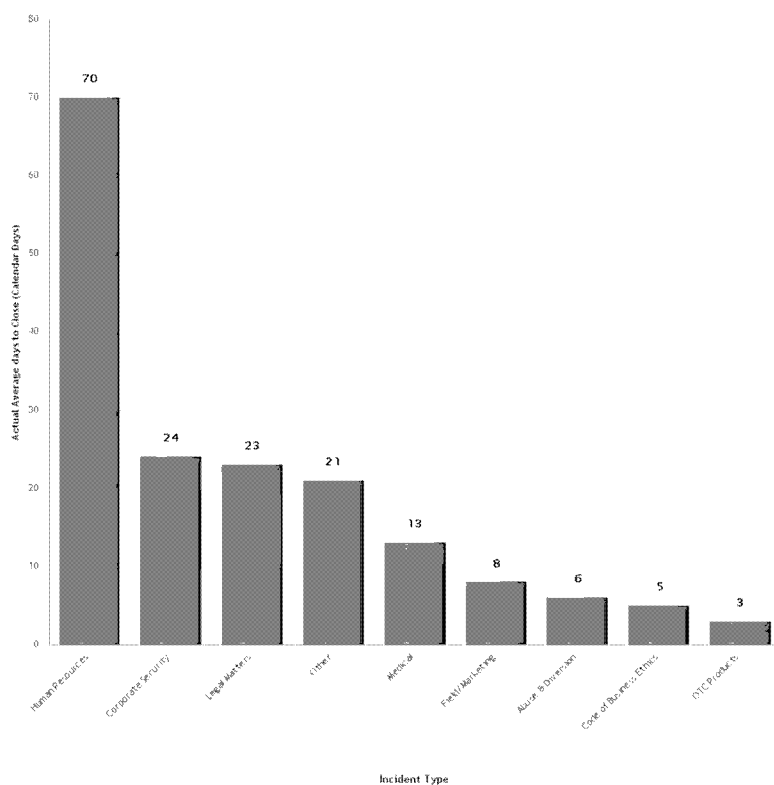
■ 2017

- Data is Year-to-Date closed matters, not just for Q3 2017

## Average cycle time for Hotline Matters was 17 days



### Explanation of Hotline Matters Hotline



- Human Resources: There were three HR-related matters called into the Hotline that were forwarded to HR and due to personnel changes, investigation was delayed, leading to protracted close time (141 days for one matter and 122 days for each of the other two matters) for this category. If these three matters were excluded, the cycle time for HR matters would have been 13 days rather than 70 days.

#### Year

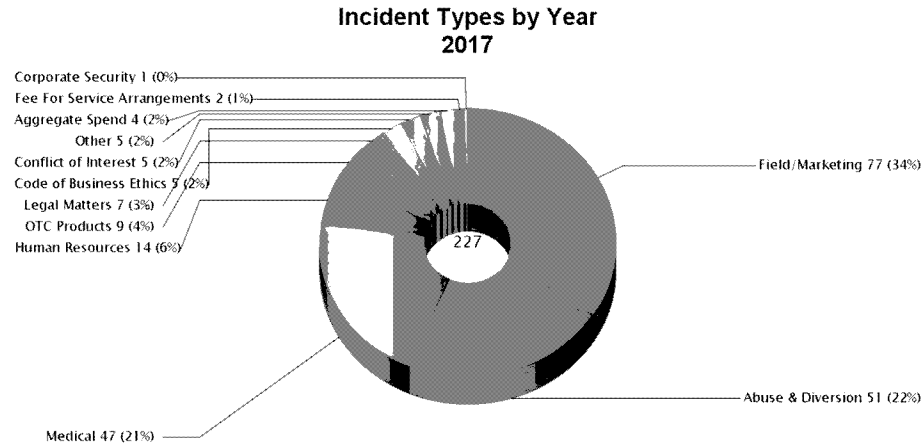
■ 2017

- Data is Year-to-Date closed matters, not just for Q3 2017*

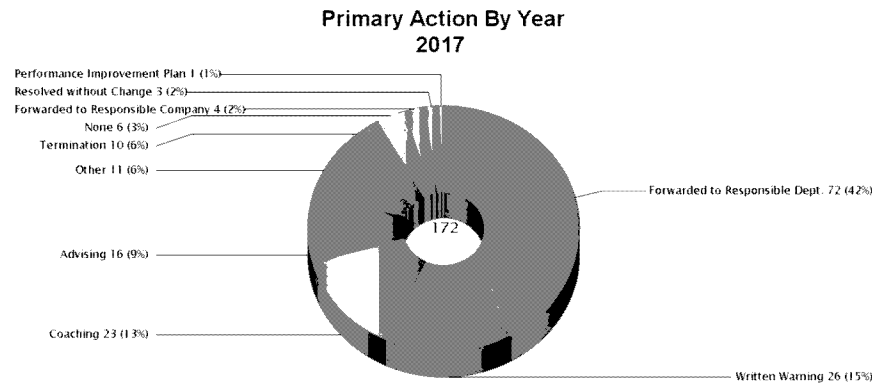
# Types of Incidents and Actions Taken: Q3 YTD 2017



We are running at approximately the same rate for each category as previous years, other than Abuse & Diversion, where we are higher at this point in the year due to implementing media reviews and related sales representative investigations.



This quarter's data is consistent with previous years and previous quarters in 2017.

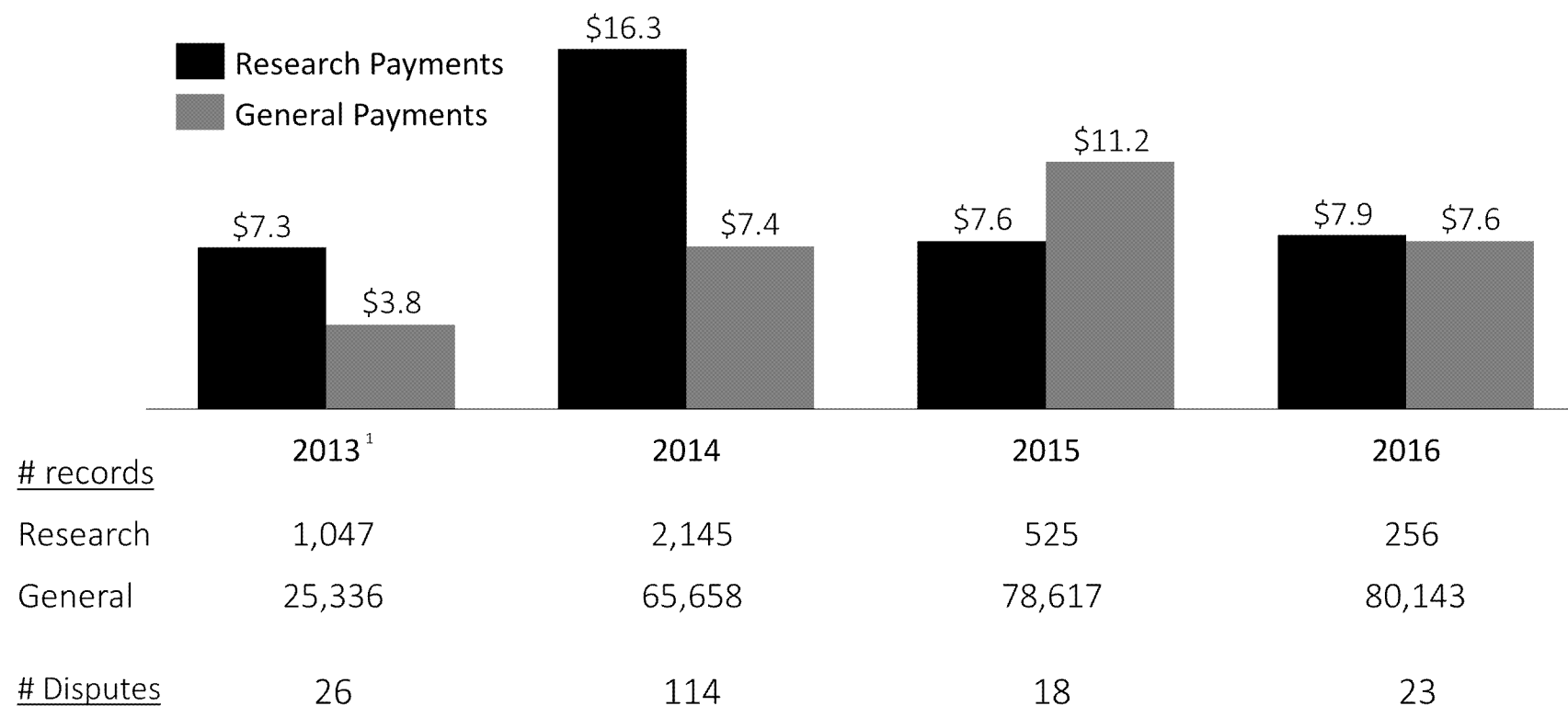


Note: Graphs represent closed matters only

## Sunshine Act Summary Data (unchanged since last report)



Spend (\$M) / Number of records and disputes



Note: General Spend includes items such as speaker programs, HCP in-office meals, and HCP fee-for-service contracts. These items will be made public by CMS on June 30, 2017; research Spend is subject to a delay of up to 4 years to preserve confidential research activities

<sup>1</sup> Only includes August - December